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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C.

In the Matter of

Implementation of Section 17 of the
Cable Television Consumer Protection
and Competition Act of 1992

Compatibility Between Cable Systems

ET Docket No. 93-7

overall consumer satisfaction and technological development. Their comments reveal a disturbing disinterest in fashioning a reasonable response to the equipment compatibility problem.

This disinterest is manifested not just in the Comments submitted in this proceeding, but in the way the consumer electronics industry, (and its retailers) market equipment to the consumer. Unfortunately, there is no concerted effort to educate consumers about the compatibility issues before they purchase television sets and video cassette recorders. To the contrary, it is customary for TV retailers to pre-program cable-connected sets in their showrooms to skip over scrambled cable channels and to avoid any substantive discussion of cable compatibility. Retailers generally are, or purport to be, poorly informed about compatibility issues, and the equipment manuals provide little help. This, of course, leaves cable operators with the costly burden of providing customer mailings, answering customer inquiries, and making service calls to alleviate compatibility problems.

II. The Commission Should Not Impose a Moratorium On Technological Advances

The EIA argues in favor of a single standard of video delivery. While this approach would minimize the possibility of premium set features being technically disabled, it would do so only at the expense of a wide variety of promising new technologies. Various signal providers, including DBS, MMDS,

broadcasters, and cable are exploring a variety of means to deliver video signals to the home. We believe this diversity of offerings to the viewer is important. The FCC must not inhibit the growth of new product offerings to the subscribers, and it must not place the cable industry in the position of being the only service provider that has its ability to offer new technologies hamstrung by regulation. Instead of chaining technology to the television set, the Commission should be encouraging new innovation. The truth is the television set should be engineered to accommodate various delivery methods, rather than the other way around. Were EIA's contrary positioning to prevail, it would be a classic, but unfortunate case of the tail wagging the dog.

III. The Commission Should Not Prohibit Scrambling

The consumer electronics industry advocates the delivery of all signals "in the clear." But, as numerous cable Comments explain, there is no technology available today that can provide that delivery on a widespread, economically feasible basis while still allowing the cable operators to satisfy viewer demands and provide effective signal security. The limitations of traps, interdiction, and broadband descrambling have been laid out clearly at the Comment stage, and need not be repeated here. We remind the Commission, however, that the cable industry has no desire to frustrate its subscribers. Cable operators generally limit scrambling to those locations and services where

experience has shown scrambling to be essential. It would be a grave mistake if the Commission were to undermine the cable industry's anti-piracy efforts, because of the minor drawbacks associated with scrambling.

We strongly oppose efforts to place "security" circuiting in the television set, rather than in a cable-controlled device. The consumer electronics industry is, by its own admission, under great pressure to hold down costs, and it faces no financial loss from the defeat of a conditional access system. It has little incentive, therefore, to maintain effective security. The cable industry, on the other hand, faces the direct consequences of a breach in security. It has the proper incentives to ensure that rigorous anti-piracy measures are undertaken and maintained. Moreover, if all anti-piracy technology were standardized and built into the consumers' television sets, the incentives for, and consequences of, pirates cracking that security system would be enormous.

IV. Most Compatibility Problems Can Be Overcome Through Simple Means

The Electronics Technicians Association ("ETA"), noted in its Comments, "Present day subscribers in the majority of cable systems do not have a problem with compatibility." ETA at 2. ETA went on to frankly state, "the entire problem of compatibility may be somewhat blown out of proportion. We estimate no more than 5% of today's subscribers experience the

problem." Id. at 6. We believe the ETA's assessment is accurate, and that many of the frustrations consumers experience with their TV/VCR/cable equipment has very little to do with cable scrambling.

We concur with the Comments, submitted by numerous cable companies, explaining how the vast majority of perceived incompatibility situations can be cured through minimal consumer education, proper equipment connections, and some simple electronic supplements. Again, while cable is willing to do its fair share, the overall level of consumer frustration could be greatly reduced if the consumer electronics industry would accept some degree of educational responsibility at the point of sale.

Monmouth Cable, like other operators, avoids the more common compatibility issues posed by scrambling by offering a simple, low cost "video switch" in several of its systems. The "video switch" is connected to the consumers' cable, converter, TV, and VCR. It allows the subscriber to bypass the converter/descrambler for unscrambled signals and therefore restore the full features of their set. The switch allows a subscriber to simultaneously view and record one scrambled and one non-scrambled channel. Picture-in-picture is also completely functional for any combination of one scrambled and one non-scrambled channel. The customer can consecutively record different channels unattended by setting the timer on the converter and the VCR. Because most systems scramble only

premium channels, it is unlikely that a customer would want to simultaneously view and record different scrambled channels, but use of two converters (or a dual output converter) can resolve even that problem. Attachment A is taken from the operator's manual for one "video switch" used by Monmouth. Although this particular switch is no longer being produced, it is still available through warehouse inventory at a cost of \$32 to \$36 dollars.

Other simple techniques can resolve most subscriber frustration. For example, a "universal" remote control with timing features similar to the VCR Plus device will facilitate recording and time shifting. This collection of technical solutions would solve the compatibility problem for virtually all consumers now at a relatively low cost and without disrupting other promising technical developments.

V. The Decoder Interface Approach Should be Adopted

The Comments submitted by cable operators uniformly support the multiport decoder interface approach. EIA and others condemn the decoder interface approach, and emphasize its failure to achieve widespread penetration in the marketplace. We believe that some Commission action would be helpful to ensure that the interface approach actually gets off the ground. Indeed, the FCC should mandate that all television sets include the interface port and insist that the cable industry fulfill consumer requests for decoders that connect to the port. This approach is entirely

consistent with Commission precedent governing such equipment matters as UHF tuners for television sets.

We applaud one television manufacturer -- Zenith -- for espousing the interface approach. Zenith goes on in its Comments to suggest that cable operators should pass through to consumers any cost savings resulting from use of an interface device, rather than a more expensive set-top converter/descrambler. To the extent such an approach is consistent with the Commission's new rate regulations, we have no objection.

Some critics have erroneously suggested that the interface approach should be discarded, because it is not forward-looking. We believe that the interface approach can, in fact, accommodate digital format. In any event, the elimination of analog TVs and VCRs will not occur overnight. Even under optimistic projections for digital growth, tens of millions of analog sets will be sold over the next decade.

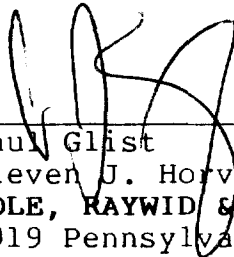
Conclusion

Greater Media, Inc., Monmouth Cablevision Associates and Riverview Cablevision Associates support adoption of the EIA-563 decoder interface standard. We believe this measure, in connection with limited consumer education and equipment supplements (e.g., RF switches and dual-output converters), can largely eliminate the equipment compatibility problem and do so at minimal cost.

Respectfully submitted,

Greater Media, Inc.
Monmouth Cablevision
Associates
Riverview Cablevision
Associates

By



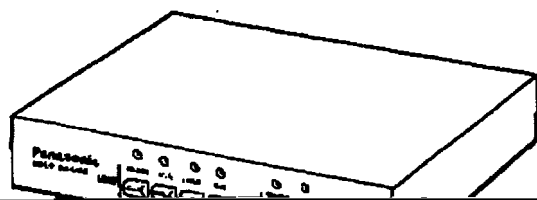
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April 21, 1993

Operating Instructions

VIDEO SWITCHER
Model TZ-SW200P



Connections (Please refer to detailed instructions on page 4.)

